



PERFORMANCE BASED SERVICE CONTRACTS

**AFI 63-124
(AFMAN 64-108 REWRITE)**

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Overview

- Service Contracting Philosophy/ AFI 63-124
- What Has Been Eliminated
- New Acquisition Team Approach
- Way Ahead



Service Contracting Philosophy

- Requirements Defined As Outcomes and Standards instead of “How To”
- Performance Determined via Insight vs. Oversight
- Encourages Use of Commercial Practices
- Applies to All Service Contracts Over \$100,000 Annually (Unless Exempted)



Eliminated in New AFI

- Most Mandatory “How To” Language
 - References to AFIs minimized
- 100% Inspection/Random Sampling Preference
 - Oversight Mindset
- Emphasis on Monetary Deductions
 - Adversarial Relationship With The Contractor



Acquisition Team Approach

- Performance Management Council
 - Emphasis on Business Planning/Strategic Sourcing of Wing Requirements
 - Used when Multi-functional Contracts Span Multiple Groups or Tenant Organizations
- Business Requirements and Advisory Group (BRAG)
 - Multifunctional Working Level Team
 - Ensure All Requirements are Included
 - Performs Market Research/Uses Commercial Standards



Acquisition Team Approach

- Performance Management Concept
 - Emphasis: Insight and Partnering w/ Contractor
 - Focus: Are Standards Met ? v.s. Processes Used to Achieve Standard
 - Use Metrics: Tap into Contractor's Quality Control Program
 - Allows Flexibility to Centralize QA Function
 - 60%+ Savings in Quality Assurance Manpower if centralized and Converted to 1910 Series



Way Ahead

- Institutionalize The Concept !
- Immediate Actions
 - Brief AFSPC Contracting Squadron Commanders ☒
 - Brief AFSPC Directors / Brief AFSPC Wing Commanders ☒
 - Establish a HQ AFSPC Multi-functional Working Group (Sep 98) ☒
 - Key Players: HQ AFSPC/ CE / LG / SC / SV
 - Develop an Implementation/Training Plan (Oct - Dec 98)
 - Road Show to AFSPC bases (Jan 99)
- Brief at Other Conferences/Mtgs/Training Sessions (As Required)